

**COLVILLE SCHOOL DISTRICT No. 115**  
**Stevens County, Washington**  
**September 1, 1994 Through August 31, 1995**

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**Schedule Of Federal Findings**

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1. The District Should Accurately Report Special Education Enrollment To The Superintendent Of Public Instruction

The district does not have an adequate internal control system to ensure that only eligible students are included on the Monthly Report of School District Special Education Enrollment (P-223H report) submitted to the Superintendent of Public Instruction (SPI). During our audit of the district's special education enrollment reporting system we found the district included ineligible students on the P-223H report. Our testing found that the district reported 6 ineligible students out of 73 students records tested. These ineligible students were included on the P-223H report which is used to allocate state apportionment money. This system of reporting special education students has not changed since 1986. In addition, the district has not retained adequate documentation to allow verification of all P-223H reports submitted from fiscal year 1990-91 through fiscal year 1994-95, as required by the Secretary of State's records retention policy.

We have projected the amount of overpayment the district has received from SPI by multiplying the percentage error rate of 8.2 percent (6/73) times the total amount of federal money received during fiscal year 1994-95. As a result, we question \$5,202 of federal special education money (CFDA 84.027). We did not question federal costs related to money received in the preceding fiscal years. This is a result of SPI's resolution of questioned costs at other school districts with this finding. However, the same condition existed in the preceding fiscal years at this district. Due to the apportionment formulas used by SPI we were unable to project accurately the overpayment of state special education funding the district received.

The *Washington Administrative Code* (WAC) 392-171 defines the criteria which must be met in order for a student to be included on the Form P-223H report.

Additionally the Superintendent of Public Instruction (SPI) Administrative and School Business Services Bulletin No. 36-94 Section V Part L., Documentation of Enrollment for Audit, states in part:

Enrollment reporting errors found in an audit generally require revised reports and adjustments to state apportionment . . .

By reporting ineligible students on the P-223H report the district has received excess state and federal funding for which they were not entitled. This has decreased the amount of funding available to districts which reported only eligible students.

The district's management did not properly review their special education enrollment reports to determine eligibility for SPI reports.

We recommend the district contact the federal Department of Education and SPI to determine the amount of repayment required. We further recommend that only eligible special education students be reported to SPI.